



**June 2009**

Energy Efficiency and Conservation Block Grant

The US Department of Energy has made available American Recovery and Reinvestment Act (ARRA) economic stimulus funds to be used for energy conservation projects. The Energy Efficiency and Conservation Block Grant (EECBG) is a formula based funding opportunity for states, local governments and tribal communities. Tempe's allocation of funds is \$1,874,000.

Tempe has assembled a multi-department team to identify and pursue stimulus and other grant opportunities. In terms of the EECBG, the committee has submitted project ideas and reviewed a proposed funding allocation plan. At its June 12, 2009 meeting, the City Council Community Sustainability Committee's Economic Subcommittee heard a presentation on the proposed funding allocation recommendations and provided input to staff. The primary goals of the EECBG program are to:

- reduce the total energy use of the eligible entities
- improve energy efficiency in the building sector, the transportation sector, and other appropriate sectors
- Develop energy efficient programs which are sustainable beyond the funding timeframe (36 months)

The following is a summary of Tempe's proposed funding allocation recommendation:

**Buildings - \$930,000** to conduct energy audits in city buildings, retrofit existing buildings with energy efficient equipment, and implement the International Energy Conservation Code throughout the community in terms of new residential and commercial construction and existing structures.

**Transportation - \$227,000** for energy efficient streetlights which will reduce energy consumption by approximately 30%. These funds will be leveraged with CDBG-R and existing city CIP funds.

**Financial Incentives - \$300,000** to establish a Revolving Energy Fund that provides resources to city departments, residents, and/or commercial businesses for energy efficient projects that save energy and money. The city would look to these funds, as well as a portion of any savings resulting from the building retrofit program, to be a continuous source of funds for energy efficient projects. The design and function of the program is yet to be determined.

**Renewable Energy Technologies - \$190,000** for research and plan development for a biodiesel grease recycling and conversion to biofuel program and a solar demonstration project. Both of these projects have potential to create on-site energy sources which will reduce current energy usage.

**Energy Conservation Strategy Development - \$227,000** to develop and implement a sustainable strategy for energy efficiency and conservation; coordinate city wide energy conservation efforts and programs; leverage with existing city resources – no new positions would be created.